



**Report of Chief Officer Civic Enterprise Leeds**

**Report to Director of Resources and Housing**

**Date: 29<sup>th</sup> January 2020**

**Subject: Supply of Hire Vehicles Framework – Approval to use an external framework**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**Summary**

**1. Main issues**

- The purpose of this report is to seek approval to use The Yorkshire Purchasing Organisation (YPO)'s framework "790 Vehicle Hire Lease and Purchase Portal" for the supply of hire vehicles for the needs of Fleet services.
- The current vehicle framework expires on 6<sup>th</sup> February 2020 and there are no further extensions available

**2. Best Council Plan Implications** (click [here](#) for the latest version of the Best Council Plan)

- Supports "Sustainable Infrastructure"
  - Reducing consumption, increasing recycling and promoting low carbon energy
  - Improving air quality, reducing noise and emissions

**3. Resource Implications**

- Resources are available from both CEL and PACS to meet the requirements of using the YPO hire framework. The value of expenditure over the 4 months is estimated to be approximately £0.5m.

## **Recommendations**

The Director of Resources and Housing is recommended to approve the use of the YPO Framework 790 Vehicle Hire Lease and Purchase Portal for the supply of hire vehicles for Leeds City Council Fleet services from 7th Feb 2020 to 6th June 2020 with estimated expenditure of approximately £0.5m.

### **1. Purpose of this report**

- 1.1 The purpose of this report is to seek approval from the Director of Resources and Housing to use the YPO framework 790 Vehicle Hire Lease and Purchase Portal for the supply of hire vehicles for Leeds City Council Fleet services

### **2. Background information**

- 2.1 Leeds City Council (LCC) has a requirement to procure vehicles to carry out its service delivery.
- 2.2 Vehicles are replaced in line with the fleet replacement programme and purchased where a new requirement arises.
- 2.3 The current vehicle hire framework was procured by LCC and expires on 6<sup>th</sup> February 2020.
- 2.4 The vehicle hire framework put in place by YPO has been advertised in the Official Journal of the European Union (OJEU), reference 2018/S 039-085480.
- 2.5 The framework agreements are therefore subject to European Procurement Regulations and must comply with the full requirement of the Regulations. The relevant clause was inserted to ensure that authorities could access the frameworks.
- 2.6 The supplies are available under the frameworks for all the variety of vehicle types required by LCC.

### **3. Main issues**

- 3.1 The use of the YPO vehicle hire framework would assist LCC whilst evaluating the future needs of the hire contract.
- 3.2 A fully managed digital vehicle hire portal authority to tender was approved in August 2019 and the tender was advertised on the YOR system. From the various bids received in late December 2019 only one bid was compliant. When the quality element had been evaluated, prices across a full range of vehicles were then analysed and compared to the current hire framework. Based on historical data this would cost the Authority an estimated extra £500k per annum and this has been deemed un-affordable. Due to the current contract ending on the 6<sup>th</sup> February 2020 an interim solution was needed due to service continuation and the need for hire vehicles.
- 3.3 YPO provides value for money in terms of charges for suppliers for accessing the frameworks, which would reflect in lower costs to LCC.

- 3.4 The number of suppliers on the YPO frameworks is vastly greater than LCC would be able to attract if it procured its own framework, and will therefore give added value for money.
- 3.5 The framework covers all types of vehicles LCC would require to fulfil its hire requirements and estimated future needs.
- 3.6 The frameworks include alternative fuel options across all available ranges.
- 3.7 Accessing existing frameworks allows LCC faster access to the marketplace.
- 3.8 The YPO framework is supported by FULCRUM a company experienced in the vehicle hire marketplace and avoids the risk of off-contract expenditure.
- 3.9 It is anticipated that access to the frameworks will be required from 7<sup>th</sup> February 2020 onwards.

#### **4. Corporate considerations**

##### **4.1 Consultation and engagement**

- 4.1.1 The decision to award the contract has been discussed with both procurement and service area representatives from Council directorates.

##### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 An Equality, Diversity and Cohesion screening document has been undertaken and it is not considered that the content of this report or the recommendations made will have any impact on any specific individuals or groups.

##### **4.3 Council policies and the Best Council Plan**

- 4.3.1 The procurement reflects the Council's priority for spending money wisely.

##### Climate Emergency

- 4.3.2 The procurement encourages the provision of alternative fuelled vehicles in line with the Clean Air Zone Requirements

##### **4.4 Resources, procurement and value for money**

- 4.4.1 By reducing the tendering process there would be a cost and resource saving to LCC.

##### **4.5 Legal implications, access to information, and call-in**

- 4.5.1 This a significant operational decision (SOD) as a consequence of a previous key decision which gave authority to procure and can be seen here: <https://democracy.leeds.gov.uk/ieDecisionDetails.aspx?ID=50198>.
- 4.5.2 The framework agreement has been established in accordance with the Public Contract Regulations.

- 4.5.3 The term of the framework is current and the terms and conditions of the framework allow both for direct appointment and mini-competition.
- 4.5.4 Use of an approved framework is fully in accordance with Contract Procedure Rules (CPR's) which define an Approved Framework as an agreement set up by an external organisation which has been authorised by Procurement and Commercial Services (PACS).

## **4.6 Risk management**

- 4.6.1 A risk register has been completed for this procurement. The contract will be managed and monitored by Fleet Services, to ensure it is providing benefits to LCC.

## **5. Conclusions**

- 5.1 Approval of this YPO vehicle hire framework would potentially offer efficiency savings. It would also enable LCC to deliver on its various statutory requirements through access to appropriate vehicles.

## **6. Recommendations**

- 6.1.1 The Director of Resources and Housing is recommended to approve the use of the YPO Framework 790 Vehicle Hire Lease and Purchase Portal for the supply of hire vehicles for Leeds City Council Fleet services from 7th Feb 2020 to 6th June 2020 with estimated expenditure of approximately £0.5m

## **7. Background documents<sup>1</sup>**

- 7.1 None.

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<sup>1</sup> The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.